



Federal Emergency Management Agency

Washington, D.C.

April 28, 2000

The Honorable James L. Witt
Director
Federal Emergency Management Agency
Washington, D.C. 20472

Dear Mr. Witt:

The Inspector General Act of 1978 (Public Law 95-452), as amended, requires the preparation of a Semiannual Report to Congress summarizing the activities of my office. I am pleased to enclose the report for the period from October 1, 1999 to March 31, 2000. The Act also mandates that you transmit this report to the appropriate committees of Congress within 30 days of receipt, together with any comments you may wish to make.

During this reporting period, we assessed the validity of non-Federal contributions to Project Impact communities. We continued to participate on task forces, working groups, and committees responsible for enhancing FEMA's business practices. In addition, we reviewed aspects of FEMA's grants management program to include the use of special teams to closeout disaster grants.

We also devoted significant resources to enhance financial management operations, audit the Agency's financial statements, and review selected contracting practices to acquire goods and services. Lastly, we continued to review disaster costs and subgrant recipients' compliance with applicable laws and regulations, and investigate allegations of fraud and abuse by disaster recipients.

Our efforts yielded significant monetary and non-monetary results during the past 6 months, including approximately \$26.5 million in recoveries and deobligations, and the agreement of management officials to collect or deobligate an additional \$14.3 million. Our efforts also resulted in 55 arrests and/or indictments and 16 convictions.

The positive steps taken to improve agency programs and operations reflect favorably on you and the support we receive from your senior managers. I appreciate and look forward to this shared quality commitment.

Sincerely,

George J. Opfer
Inspector General